GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1175
ANSWERED ON:24.10.2008
PRIVATISATIOL OF LIC
Bhagora Shri Mahavir

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is contemplating to privatize the Life Insurance Corporation of India (LIC) and other insurance companies;

(b) if so, the details thereof;

(c) whether there has been sharp decline ill the market shares held by the LIC during the last three years and the current year;

(d) if so, the details thereof and the action taken by the Government in this regard?

Answer

Minister of State in the Ministry of Finance (Shri Pawan Kumar Bansal)

(a): No, Sir.

(b): Does not arise.

(c) & (d): Life Insurance Corporation of India(LIC) has reported that the decline in market share is a natural corollary of addition of new players in the insurance industry.However,LIC has shown continuous growth in First Premium Income (FPI).Growth Rate of the last three years is given below:

Year	No. of Policies FPI	FPI	Growth Rate FPI	Market share FPI NOP
2005-06	31572547	18085.49	48.56	71.44 89.08
2006-07	38208575	39549.58	118.64	71.18 82.83
2007-08	37589995	43812.86	10.80	63.64 73.93
2008-09 (upto 30.09.2008)	11933094	10909.51	-35.72	

Not available till date.

LIC has initiated measures like aggressive recruitment of Development Officers, providing large scale training exposure to its field force to improve their competence, introduction of Chief Life Insurance Agent (CLIA) Scheme for the senior and experienced Agents to introduce suitable pemons to work as supervised agents under them, etc.,to improve upon its market share.